



EFT EXCHANGE

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The historic Treasury Cash Room is the setting for the December National Partners Meeting.

Partners Meeting Generates New Ideas

Last December 2, the Department of the Treasury hosted a Washington meeting of national partners participating in the EFT 99 public education campaign. The meeting sought to review the progress made in the last year and examine ways to expand and deepen the campaign's impact among the diverse audiences affected by EFT 99. Then-Treasury Under Secretary **John D. Hawke, Jr.**, who had directed the policy development and implementation of EFT 99, welcomed participants. Fiscal Assistant Secretary **Donald Hammond** described the implementation of EFT 99 and the public education campaign as well as the development of the proposed Electronic Transfer Account (ETASM).

The meeting then focused on the campaign to date. Since the July 1998 regional meetings, more than 700 in-touch sessions with check recipients have reached more than 100,000 individuals; hundreds of train-the-trainer sessions have been held for leaders of community organizations, Area Agencies on Aging, cooperative extension agents, and others; 400,000 brochures and flyers have been distributed through partners such as Meals on Wheels, AARP, and credit unions; 3 million brochures were distributed between June and September alone; and more than 18,000 copies of the comprehensive guide for community educators, "Helping People in Your Community Understand Basic Financial Services," have been distributed.

The breakout groups that followed offered many ideas for expanding collaborations and maintaining momentum.

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EFT Campaign Is about Helping People

BY DONALD V. HAMMOND
Fiscal Assistant Secretary



Although the final EFT 99 regulations affecting Federal payment recipients are in effect, we are not losing our momentum. The EFT 99 campaign is about more than regulations and deadlines. It is also an opportunity to improve financial literacy, create affordable account options for cash consumers, increase the efficiency of Government operations, and, we hope, improve the way millions of people across the country receive and manage their Federal Government payments.

We received about 200 comment letters from a wide range of sources about the proposed Electronic Transfer Account (ETASM). While most comments were supportive of Treasury's efforts to design a low-cost account for cash consumers, we received widely divergent views on proposed features themselves, particularly the account's fee structures. Among the items in the proposal drawing the strongest, most diverse, and thoughtful responses included those that would (1) require participating financial institutions to offer ETAs to any eligible Federal recipient, regardless of past history; (2) prohibit set-offs by financial institutions; and (3) add optional features including the payment of interest, the acceptance of other electronic deposits, and an ACH (Automated Clearing House) debit capability feature. I urge you to review the ETA comment letters on the Financial Management Service's Web site: www.fms.treas.gov/eft. We will continue to study and weigh carefully all of these views as we work toward developing a product that will genuinely benefit recipients as well as be attractive to financial institutions.

More than 65 representatives of dozens of national organizations attended our National Partners Meeting in Washington in December to learn about the proposed ETA payment option, review the last year's community outreach efforts, and help make plans for 1999. We are looking forward to an active year continuing our

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Comment Sought On Payment Service Provider Regulation

*Access to Federal Payments
Could Be Affected*

The Department of the Treasury has requested comment on whether it should regulate how nondepository payment service providers, such as check cashers and money transmitters, provide access to electronic Federal payments.

In an advance notice of proposed rulemaking, Treasury seeks information and views on a range of issues related to the implementation of the Debt Collection Improvement Act of 1996.

Specifically the notice, published in the Federal Register on January 8, focuses on these issues:

■ Should Treasury regulate or prohibit arrangements between financial institutions and payment service providers in which electronic Federal payments are deposited into a recipient's non-ETASM (Electronic Transfer Account) at a financial institution but made available to the recipient through a payment service provider?

■ Do such arrangements deny the recipient either: (a) an account at a financial institution, (b) access to such account, (c) access at a reasonable cost, or (d) the same consumer protections with respect to the account as other account holders at the same institution?

■ Should all payment service providers be subject to regulation, or only a particular subset, and if only a subset, what is the basis for such distinction?

Treasury is taking comments on the notice through April 8. Send any comments to the Office of the Fiscal Assistant Secretary, U.S. Department of the Treasury, 1500 Pennsylvania Ave., NW, Rm. 2112, Washington, DC 20220.

The full text of the notice is available via—

■ **Internet.** Access the EFT Web site at www.fms.treas.gov/eft for the notice in text or PDF (portable document format) versions.

■ **Fax.** Call Treasury's interactive fax system at (202) 622-2040 and request document No. 2885 when prompted. It will be sent immediately to your fax machine.

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grassroots educational initiative. Our regional managers and the community-based organizations in the field will be busy developing new partnerships, holding in-touch training seminars that teach basic financial literacy and remind recipients of all their payment choices. Some of those activities are highlighted in this newsletter. Since we continue to believe that it is the best choice for most people, we will continue to educate the public about the safety and security of Direct Deposit.

I appreciate your continued support of these efforts in the coming year.

EFT 99 Reaches Deep Into the Heart Of Texas

The Southwestern EFT 99 Regional Team's community outreach education efforts are now reaching into every county in the Lone Star State. The Department of the Treasury/Financial Management Service's regional subcontractor, Texas Legal Services Center (TLSC), has offered mini-grants to each of the 28 Area Agencies on Aging (AAA) in the State. This partnership allows outreach by local "subcontractors," established in every county in Texas to inform seniors about their choices for receiving their Federal payments.

As of late January, 25 AAAs had signed contracts with TLSC to conduct by March 15 six in-touch education programs for seniors, or to distribute EFT 99 information packets to 100 Meals on Wheels or home health care providers for use with their constituents. According to Carole Thorp, TLSC Outreach Coordinator, the remaining three AAAs have orally committed to participate in the program and many agencies have plans to go beyond the requirements of the contract.

Once the agreement is signed, TLSC provides the AAA with a sample agenda for the in-touch sessions, 10 talking points on Direct Deposit and other background information, EFT 99 brochures and the educational video, materials order forms, a presentation checklist, and sign-in sheets for participants. The checklist and sign-in sheets serve as documentation, and the AAA is asked to return the forms within 30 days of the presentations. TLSC sends a thank-you letter indicating that the grant payment is being processed and pledging to keep the AAAs updated on new EFT 99-related information. For further information on this best practice outreach program, contact Carole Thorp on (512) 477-6000.



Michael Rupured, left, accepts a special award last October from Treasury Fiscal Assistant Secretary Donald Hammond for Rupured's leadership in preparing a financial literacy guide for community educators. It is a key tool and point of focus in the Federal EFT 99 public education campaign.

Public Education Materials Order Form—Use this form to order any of the Direct Deposit educational materials listed below.

Quantities are limited.

Name / Organization: _____ Date: _____

Street Address (Sorry, No P.O. Boxes, Please): _____

City: _____ State: _____ ZIP: _____

Phone: _____ Fax: _____ E-mail Address: _____

Please fax this form to the Financial Management Service, Attn: Product Promotion Division. **Fax: (202) 874-7321**

Item/Description	English Qty.	Spanish Qty.	Chinese Qty.	Vietnamese Qty.	Other Language Qty.*
Poster: "Better Things To Do" 16 x 20 inches (full color).	_____	_____			_____
Pamphlet: <i>New Choices for Receiving Your Federal Government Payments</i> Pamphlet: 3 7/8 x 8 1/4 inches folded (two color). Flyer: Chinese and Vietnamese 8 1/2 x 11 inches (black & white).	_____	_____	_____	_____	_____
Counter Card Pamphlet Holder (with pocket): "Better Things To Do" For use with the <i>New Choices for Receiving Your Federal Government Payments</i> pamphlet. 15 1/2 x 9 3/4 inches (full color).	_____	_____			_____
Comprehensive Guide for Community Educators "Helping People in Your Community Understand Basic Financial Services." <i>Includes consumer factsheets.</i>	_____	_____			_____

Please allow 2-3 weeks for receipt of materials. **Questions? Contact the Financial Management Service at (202) 874-6540.**

* If other languages are requested, indicate desired languages and quantities. This information will determine the need for additional language materials.

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For example, partners recommended helping Federal recipients access information about existing low-cost/no-cost accounts in their communities; expanding efforts to reach Native-American, homeless, and disabled populations; and approaching new and soon-to-be retirees with the message about payments choice. They also recommended working with church groups, post offices, utilities, welfare, and unemployment offices and others to deliver information and services to recipients.

Regional meetings are planned for later in 1999 to take stock of education efforts and build new partnerships. Meanwhile, Treasury's regional managers and community partners will continue to set up workshops, distribute materials, and make new contacts to ensure that all recipients understand and benefit from the wealth of information available.



EFT Rules in Effect; Direct Deposit Sign-Ups on the Rise

The Department of the Treasury's final regulations implementing the electronic funds transfer (EFT) provisions of the Debt Collection Improvement Act of 1996 went into effect January 2. Treasury has developed a variety of payment options to encourage the use of Direct Deposit for Federal payments and to ensure that compliance with the law will not inconvenience individual recipients. The Financial Management Service continues to report significant increases in the number of individuals signing up to receive their payments electronically. For the month of January 1999, 72 percent of individual payments were made electronically, which represents a 14-percentage-point increase since fiscal year 1996.

If you have questions, or for more information, contact Eleanor Kelly at (202) 622-5529.

Whom to call

If you have questions about community initiatives or any other issues relating to EFT 99, please feel free to contact the Financial Management Service and Treasury staff below:

PRESS/MEDIA

(Questions from Press/Media only)

John Longbrake

Office of Public Affairs

Department of the Treasury

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REGULATIONS & POLICY

(Regulations, policy development, laws)

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EDUCATION & MARKETING

(Public/financial institution/agency education)

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If you would like to be on the *EFT Exchange* mailing list, or to receive *EFT Exchange* by e-mail, call Sara Allinder on (202) 842-3600.

ETA Comment and Partners Meeting Summaries Available

www.fms.treas.gov/eft

Text and PDF (portable document format) versions of *EFT Exchange*, published quarterly in March, June, September, and December, can be found at the EFT 99 page of the Financial Management Service's Web site. For easy access, the page is divided into: general information about EFT 99, news and media, regulations and policy, education and marketing, agency assistance, and vendor information. Visit the EFT site often for regular updates.

In the March *EFT Exchange*, you've read about the proposed Electronic Transfer Account (ETA**) and the recent EFT National Partners Meeting. At the EFT site, be sure to view the latest additions: a summary of the nearly 200 comments (along with the actual comment letters) received on the ETA proposal and a summary of the National Partners Meeting. The meeting summary recaps the December gathering of consumer, community-based, and financial trade organizations.

Between issues of *EFT Exchange*, always check the EFT site for the latest information.

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